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Canyon Ranch set to lease in Streeterville

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BY **DAVID ROEDER** Business Reporter

The posh Canyon Ranch resort -- which markets condominiums, fitness programs and food in the name of healthy lifestyles -- would open its first Chicago operation under a tentative deal signed with developers of a Streeterville high-rise.

Canyon Ranch has agreed to take 65,000 square feet in a planned 64-story building at 65 E. Huron, said Thomas Weeks, president of LR Development Co. He also said the project will market 100 hotel condos linked to Canyon Ranch.

The balance of the building would contain about 330 residential condos. The project would rise on the southwest corner of Huron and Rush, currently the site of offices for the Episcopal Diocese of Chicago.

Weeks said the addition of Canyon Ranch entails a modified design, for which LR will seek a zoning change. The original design, which the City Council endorsed in December 2003, included a hole in the upper floors that would have formed open-air terraces.

Ald. Bernard Stone (50th) expressed concern about the terraces' safety. Weeks said the redesign addresses that concern by narrowing the hole and incorporating the space into Canyon Ranch.

LR has a contract to purchase the site from the Episcopal Diocese, and has yet to start marketing the condos. Weeks said if he gets city approval of the new design, he hopes to start construction in 2006, and finish it in 2009.

Canyon Ranch has been mentioned as a possible tenant for downtown's empty Block 37 across from Marshall Field's, but experts said they expect the deal with LR would foreclose on that possibility.

Weeks said Canyon Ranch has signed a letter of intent with his firm. The legal step precedes final lease negotiations. Approval of the Canyon Ranch board also is needed, Weeks said.

Canyon Ranch owns spas in Tucson, Ariz., and Lenox, Mass. It is building its first "community," a condo and hotel complex on beachfront property in Miami.

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